



# California Public Utilities Commission

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## News Release

FOR IMMEDIATE RELEASE

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### **CALIFORNIA LEADS NATION IN BROADBAND BUT MORE NEEDS TO BE DONE**

SAN FRANCISCO, May 5, 2005 - The California Public Utilities Commission (PUC) today approved a report to the Governor and state legislature entitled "Broadband Deployment in California." Authored by Commissioner Susan P. Kennedy, the report is a comprehensive analysis of broadband infrastructure and policies in the state. It identifies barriers to increased broadband deployment and use, and makes aggressive recommendations to overcome those barriers.

"I made a commitment that this would not be just another report from another government agency – the kind that sits on a shelf somewhere collecting dust," stated Commissioner Kennedy, "but instead, would be a guidepost for California to regain its leadership role on broadband policies. This report delivers on that promise."

The report finds that California leads the nation in broadband use, both in terms of the total number of broadband lines and the state's share of the national broadband market. California's broadband market grew 516 percent during the last four years, and the state now has almost as many broadband lines as the second- and third-ranked states (New York and Florida) combined. With the widespread availability of satellite service, broadband service is available in every California zip code. In addition, 96 percent of all California homes with television service have broadband availability through cable modem.

Recognizing that advanced telecommunications technologies are increasingly central to the needs of families, the state's economy, and the vitality of local communities, the report identifies several barriers to increased broadband deployment and use in the state. The report pays particular attention to ensuring that broadband services are available to lower use communities such as lower-income Californians, residents of rural areas, and the disabled community, and finds that California must adopt forward-looking policies in order to continue its leadership in deploying advanced telecommunications technologies.

Key recommendations of the report include:

- Establishing broadband deployment and accessibility as a state priority, and appointing a Broadband Task Force, with the objective of directing state agencies, boards, and commissions to weigh the impact of all existing and proposed regulations on the accessibility and deployment of broadband infrastructure and advanced telecommunications services and to eliminate barriers to deployment wherever possible.
- Devoting the resources necessary to more accurately determine the extent of broadband deployment and use in the state. This should include development of a baseline and metrics for measuring broadband usage in specific geographic areas and among demographic groups. Penetration rates should be measured annually using those metrics, and specific attention should be paid to increasing broadband deployment and usage in communities with use rates 10 percent or more below the average.
- Adopting specific programs for encouraging broadband deployment and adoption in lower use communities, such as targeted tax incentives and infrastructure grants for broadband facilities.
- Reforming the process for obtaining Rights of Way (ROW) permits from state agencies and local governments for construction of broadband infrastructure. The ROW permit process is cited as one of the most significant barriers to deployment. Legislation and/or regulations should be enacted that also streamline and eliminate inconsistencies in the California Environmental Quality Act review process for broadband projects.
- Encouraging broadband over powerlines (BPL) technology and services by providing regulatory certainty in the areas of utility affiliate transaction rules and in the treatment of program expenses and revenues.
- Removing unnecessary regulation of Voice over Internet Protocol (VoIP) services and other innovative services to spur the deployment of broadband networks.
- Eliminating barriers that prevent the effective pricing and marketing of products and services in a bundled package.

The full report is available at: [http://www.cpuc.ca.gov/word\\_pdf/AGENDA\\_DECISION/46109.doc](http://www.cpuc.ca.gov/word_pdf/AGENDA_DECISION/46109.doc).

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